

Ms Angela Moody Productivity Commissioner and Chair Queensland Productivity Commission

Dr Karen Hooper Commissioner Queensland Productivity Commission

## Dear Commissioners,

Thank you for the opportunity to contribute feedback on behalf of our members, partners, and networks to your inaugural inquiry into construction productivity.

Business Chamber Queensland is the State's peak business body. We represent businesses of all sizes, in every industry, and across every region of our State.

It is our priority that Queensland is the best place to do business. The effort to improve economic productivity in Queensland is vital to businesses and to a secure, prosperous future for Queenslanders.

We welcome the Queensland Productivity Commission's new inquiry, and we are committed to engaging with you and your team to shape productivity-enhancing and pro-business recommendations.

As a response to your initial call for consultation, we can offer the following recent and yet-to-be published insights from Queensland businesses about how construction regulations are impacting their confidence to invest in our state and employ.

A relevant finding for the purposes of this inquiry is the shift in business sentiment about the costliest area of regulation.

In 2025, the topmost concern for businesses is the cost of building approvals and amendments, replacing the cost of employing workers in the previous 2023 survey.





For these results, Business Chamber Queensland surveyed hundreds of employers in recent research completed in April 2025.<sup>1</sup>

- Respondents ranged from 9.03% large businesses, 24.3% medium enterprises, 30.75% small business, and 35.91% sole traders and smaller businesses, including representation across industries such as manufacturing (13%), professional, scientific and technical services (12%), construction (10%), retail (9%), arts and tourism (9%).
- Half of respondents considered the Queensland Building and Construction (QBCC) Commission posed a high burden of regulatory compliance to businesses (50.0%), second only to responses to the Queensland Revenue Office (50.68%).
- Close to 4 in 10 businesses (38.0%) thought the QBCC had a moderate impact.
- Views were concentrated regarding the impact of QBCC compared with other regulators, as 12% thought QBCC impacts were low, compared with the nearest share for the Office of Industrial Relations (22.03%).
- Six in 10 businesses considered building approvals to be high costs (61.57%).
- Another 3 in 10 businesses (30.2%) thought building approvals were a moderate cost, and 8.24% reported their impacts as low.
- In other approvals-related concerns, 52.48% of businesses who needed to comply with environmental regulations reported high costs.
- A further 3 in 10 businesses (31.63%) classified environmental requirements as having moderate cost impacts on their businesses, while only 8.73% said impacts were low.

Multiple respondents raised direct concerns about building and construction regulations or impacts on other industries, including:

- cost increases for construction projects.
- occupational licensing restrictions on interstate mobility of workers.
- complexity of involving multiple levels of government and entities in building codes, planning changes of use, and carrying through projects such as building expansions and additions, and developing industrial land.



<sup>&</sup>lt;sup>1</sup> Business Chamber Queensland, Efficient Regulation Survey 2025



Common sentiments were the perceived benefit of discussing matters directly with regulators' staff to understand and resolve the application of regulations to the businesses' own operations.

Broader insights into business confidence are also available from our recent research and engagement leading into the 2025 Federal Election.<sup>2</sup> Businesses' views identified relevant cost constraints including supply chains (72.87%), attracting skilled workers (66.46%), and suitable housing availability (62.65%).

When asked to rank levels of concern, business sentiment registered the following major to critical ratings: energy costs (46.92%) and housing accessibility and affordability (42.81%).

Enabling infrastructure was also ranking as a major to critical concern for respondents. This includes enabling infrastructure to connect communications (38.07%), energy (34.92%), and water (29.86%). Subject to similar cost pressures and workforce demand as broader building projects, these sentiments demonstrate broader concerns about impacts beyond the construction industry hindering business growth.

In summary, our members and business networks express concern about the complexity of regulation of the construction and building industry in Queensland by multiple levels of government.

Their confidence and ability to invest in business growth is hindered by challenges in the construction industry, including cost increases, delays and high demand.

As Queensland becomes home to more Queenslanders and prepares to host the 2032 Olympic and Paralympic Games, support will be necessary for our construction industry to achieve more than ever before and meet growing demand.

Thank you for considering our initial response and we look forward to supporting this inquiry.

Sincerely,

Myles Lawrence
Advocacy & Regulatory Strategy Manager
Business Chamber Queensland



<sup>&</sup>lt;sup>2</sup> Business Chamber Queensland, Federal Election Survey 2025